

# **Codupha Central Pharmaceutical Joint Stock Company**

Consolidated financial statements

For the year ended 31 December 2024



# Codupha Central Pharmaceutical Joint Stock Company

## CONTENTS

	<i>Pages</i>
General information	1
Report of management	2
Independent auditors' report	3 - 4
Consolidated balance sheet	5 - 6
Consolidated income statement	7 - 8
Consolidated cash flow statement	9 - 10
Notes to the consolidated financial statements	11 - 42

# Codupha Central Pharmaceutical Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Codupha Central Pharmaceutical Joint Stock Company ("the Company") is a joint stock company established in Vietnam in accordance with Enterprise Registration Certificate ("ERC") No. 0300483319 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 18 August 2010, and as subsequently amended.

On 11 June 2015, the Company was equitized as a joint stock company in accordance with the Decision No. 2254/QĐ-BYT issued by the Ministry of Health. This equitization was formalized by the DPI of Ho Chi Minh City through the issuance of the 9<sup>th</sup> amended ERC on 4 January 2016.

On 6 July 2018, the Company's shares were officially traded on Unlisted Public Company Market with code CDP.

The principal activities of the Company are the wholesale and retail of medicines, medical equipment, cosmetics and sanitary items.

The Company's registered head office is located at 262L Le Van Sy Street, Ward 14, District 3, Ho Chi Minh City, Vietnam. In addition, the Company also has six (6) branches located at other provinces/cities within Vietnam.

### BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr Le Van Son	Chairman
Mr Bui Huu Hien	Member
Mr Pham Thu Trieu	Member
Ms Lu Thi Khanh Tran	Member
Ms Ha Lan Anh	Member

### BOARD OF SUPERVISORS

Members of the Board of Supervisors during the year and at the date of this report are:

Ms Nguyen Thi Hang	Head	
Mr Truong Chi Thien	Member	
Ms Nguyen Thanh Thanh Binh	Member	appointed on 26 April 2024
Mr Nguyen Van Khai	Member	resigned on 26 April 2024

### MANAGEMENT

Members of the Management during the year and at the date of this report are:

Mr Bui Huu Hien	General Director	
Ms Dinh Thi Khoi	Deputy General Director	resigned on 3 March 2025

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Bui Huu Hien.

### AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

# Codupha Central Pharmaceutical Joint Stock Company

## REPORT OF MANAGEMENT

Management of Codupha Central Pharmaceutical Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiary (collectively referred to as "the Group") for the year ended 31 December 2024.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and ensuring that the accounting records comply with the applied accounting system. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that they have complied with the above requirements in preparing the accompanying consolidated financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in their opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of Management:



Bùi Hữu Hiền  
General Director

Ho Chi Minh City, Vietnam

24 March 2025

Reference: 12210159/67745218-HN

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of Codupha Central Pharmaceutical Joint Stock Company**

We have audited the consolidated financial statements of Codupha Central Pharmaceutical Joint Stock Company ("the Company") and its subsidiary (collectively referred to as "the Group"), as prepared on 24 March 2025 and set out on pages 5 to 42, which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

### *Management's responsibility*

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2024, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

**Ernst & Young Vietnam Limited**



  
\_\_\_\_\_  
Nguyen Ho Khanh Tan  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 3458-2025-004-1

  
\_\_\_\_\_  
Ngo Duc Nhat  
Auditor  
Audit Practicing Registration Certificate  
No. 5627-2025-004-1

Ho Chi Minh City, Vietnam

24 March 2025

CONSOLIDATED BALANCE SHEET  
as at 31 December 2024

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,933,714,163,459</b>	<b>1,949,073,848,510</b>
<b>110</b>	<b>I. Cash</b>		<b>21,918,032,395</b>	<b>50,493,258,886</b>
111	1. Cash	4	21,918,032,395	50,493,258,886
<b>130</b>	<b>II. Current accounts receivable</b>		<b>1,012,314,639,678</b>	<b>1,024,822,468,297</b>
131	1. Short-term trade receivables	5.1	981,808,523,031	957,037,332,290
132	2. Short-term advances to suppliers	5.2	18,251,158,959	21,803,253,328
136	3. Other short-term receivables	6	48,007,819,080	70,943,454,859
137	4. Provision for short-term doubtful receivables	7	(35,752,861,392)	(24,961,572,180)
<b>140</b>	<b>III. Inventories</b>	<b>8</b>	<b>885,384,170,267</b>	<b>860,259,783,505</b>
141	1. Inventories		890,906,558,017	864,656,693,422
149	2. Provision for obsolete inventories		(5,522,387,750)	(4,396,909,917)
<b>150</b>	<b>IV. Other current assets</b>		<b>14,097,321,119</b>	<b>13,498,337,822</b>
151	1. Short-term prepaid expenses	9	1,090,909,101	1,887,324,725
152	2. Deductible value-added tax		13,006,412,018	11,602,759,913
153	3. Tax and other receivables from the State	15	-	8,253,184
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>200,960,076,863</b>	<b>211,934,844,317</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>650,000,000</b>	<b>1,662,000,000</b>
216	1. Other long-term receivables	6	650,000,000	1,662,000,000
<b>220</b>	<b>II. Fixed assets</b>		<b>164,381,212,491</b>	<b>174,770,531,716</b>
221	1. Tangible fixed assets	10	85,707,370,414	93,216,873,407
222	Cost		200,228,562,385	198,145,485,999
223	Accumulated depreciation		(114,521,191,971)	(104,928,612,592)
227	2. Intangible fixed assets	11	78,673,842,077	81,553,658,309
228	Cost		98,336,207,145	98,342,401,295
229	Accumulated amortization		(19,662,365,068)	(16,788,742,986)
<b>240</b>	<b>III. Long-term assets in progress</b>		<b>315,000,000</b>	<b>270,000,001</b>
242	1. Construction in progress	12	315,000,000	270,000,001
<b>250</b>	<b>IV. Long-term investments</b>	<b>13</b>	<b>33,856,558,900</b>	<b>34,519,918,112</b>
252	1. Investment in an associate		4,384,074,177	5,047,433,389
253	2. Investments in other entities		29,472,484,723	29,472,484,723
<b>260</b>	<b>V. Other long-term assets</b>		<b>1,757,305,472</b>	<b>712,394,488</b>
261	1. Long-term prepaid expenses	9	1,757,305,472	712,394,488
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2,134,674,240,322</b>	<b>2,161,008,692,827</b>

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2024

VND


Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>1,917,466,114,237</b>	<b>1,957,396,081,115</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,888,267,538,425</b>	<b>1,898,147,861,423</b>
311	1. Short-term trade payables	14.1	996,223,876,429	1,075,393,567,677
312	2. Short-term advances from customers	14.2	14,815,414,612	27,944,900,536
313	3. Statutory obligations	15	1,924,084,965	1,515,282,113
314	4. Payables to employees		9,109,888,013	6,629,222,766
315	5. Short-term accrued expenses	16	3,596,580,335	2,094,054,880
318	6. Short-term unearned revenue		49,643,929	49,643,929
319	7. Other short-term payables	17	8,980,244,178	21,795,408,808
320	8. Short-term loans	18	851,919,198,962	762,725,780,714
322	9. Bonus and welfare fund	19	1,648,607,002	-
<b>330</b>	<b>II. Non-current liabilities</b>		<b>29,198,575,812</b>	<b>59,248,219,692</b>
331	1. Long-term trade payables	14.1	-	30,000,000,000
336	2. Long-term unearned revenue		198,575,812	248,219,692
338	3. Long-term loans	18	29,000,000,000	29,000,000,000
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>217,208,126,085</b>	<b>203,612,611,712</b>
<b>410</b>	<b>I. Owners' equity</b>		<b>217,208,126,085</b>	<b>203,612,611,712</b>
411	1. Share capital	20.1	182,700,000,000	182,700,000,000
411a	- Ordinary shares with voting rights		182,700,000,000	182,700,000,000
414	2. Other owners' capital	20.1	-	213,663,933
415	3. Treasury shares	20.1	(586,200,000)	(586,200,000)
417	4. Foreign exchange differences reserve	20.1	-	(8,843,840,445)
418	5. Investment and development fund	20.1	9,071,115,794	9,071,115,794
421	6. Undistributed earnings	20.1	26,023,210,291	20,564,637,841
421a	- Undistributed earnings by the end of prior year		11,460,237,841	13,567,884,950
421b	- Undistributed earnings of current year		14,562,972,450	6,996,752,891
429	7. Non-controlling interests	21	-	493,234,589
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>2,134,674,240,322</b>	<b>2,161,008,692,827</b>

Ho Chi Minh City, Vietnam

24 March 2025

  
Chu Thi Bich Hong  
Preparer

  
Nguyen Trieu Ngoc Thuan  
Chief Accountant

  
Bui Huu Hien  
General Director





CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2024

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	22.1	3,215,977,580,908	3,089,290,341,810
02	2. Deductions	22.1	(7,297,762,661)	(25,260,290,268)
10	3. Net revenue from sale of goods and rendering of services	22.1	3,208,679,818,247	3,064,030,051,542
11	4. Cost of goods sold and services rendered	23	(2,972,775,353,254)	(2,854,066,243,219)
20	5. Gross profits from sale of goods and rendering of services		235,904,464,993	209,963,808,323
21	6. Finance income	22.2	27,093,233,957	37,436,756,804
22	7. Finance expenses	25	(58,629,896,889)	(60,876,555,059)
23	<i>In which: Interest expenses</i>		(39,107,005,426)	(53,181,803,414)
24	8. Shares of (loss) profit from an associate	13.1	(663,359,212)	48,262,106
25	9. Selling expenses	24	(126,149,961,420)	(115,938,626,850)
26	10. General and administrative expenses	24	(49,865,890,101)	(54,698,237,214)
30	11. Operating profit		27,688,591,328	15,935,408,110
31	12. Other income	26	840,740,363	508,561,286
32	13. Other expenses	26	(1,322,156,492)	(2,551,607,132)
40	14. Other loss	26	(481,416,129)	(2,043,045,846)
50	15. Accounting profit before tax		27,207,175,199	13,892,362,264
51	16. Current corporate income tax expense	28.1	(8,137,437,338)	(4,703,182,370)
60	17. Net profit after tax		19,069,737,861	9,189,179,894

CONSOLIDATED INCOME STATEMENT (continued)  
for the year ended 31 December 2024

VND

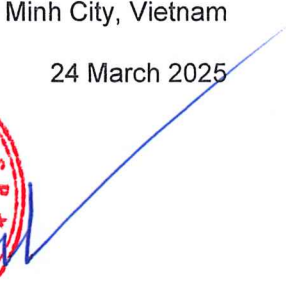
Code	ITEMS	Notes	Current year	Previous year
61	18. Net profit after tax attributable to ordinary equity holders of the parent company		19,069,737,861	9,305,449,866
62	19. Net loss after tax attributable to non-controlling interests		-	(116,269,972)
70	20. Basic earnings per share	20.5	773	384
71	21. Diluted earnings per share	20.5	773	384

Ho Chi Minh City, Vietnam

24 March 2025

  
Chu Thi Bich Hong  
Preparer

  
Nguyen Trieu Ngoc Thuan  
Chief Accountant

  
Bui Hieu Hien  
General Director



CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2024

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Total accounting profit before tax</b>		<b>27,207,175,199</b>	<b>13,892,362,264</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortization	10, 11	14,529,146,019	14,757,250,271
03	Provisions		12,271,760,727	14,262,315,713
04	Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currencies		2,966,519,100	1,788,542,492
05	Net loss (profit) from investing activities		8,888,288,719	(295,488,391)
06	Interest expenses	25	39,107,005,426	53,181,803,414
<b>08</b>	<b>Operating profit before changes in working capital</b>		<b>104,969,895,190</b>	<b>97,586,785,763</b>
09	Decrease in receivables		1,367,508,668	67,550,690,251
10	Increase in inventories		(26,604,858,277)	(124,228,974,295)
11	Decrease in payables		(132,978,631,639)	(19,923,380,884)
12	Increase in prepaid expenses		(248,495,360)	(933,050,495)
14	Interest paid		(39,973,726,309)	(52,658,956,327)
15	Corporate income tax paid	15	(7,890,011,494)	(4,832,589,898)
17	Other cash outflows from operating activities		(3,351,392,998)	(3,681,790,001)
<b>20</b>	<b>Net cash flows used in operating activities</b>		<b>(104,709,712,219)</b>	<b>(41,121,265,886)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets		(4,579,614,786)	(3,402,794,347)
22	Proceeds from disposals of fixed assets		770,229,674	505,414,768
27	Interest and dividend received		29,805,324	48,152,210
<b>30</b>	<b>Net cash flows used in investing activities</b>		<b>(3,779,579,788)</b>	<b>(2,849,227,369)</b>

CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2024

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings	18	2,612,693,397,228	2,403,455,189,446
34	Repayment of borrowings	18	(2,523,499,978,980)	(2,326,475,236,407)
36	Dividends paid to shareholders of the parent company	20.2	(9,021,075,311)	(12,742,265,000)
40	<b>Net cash flows from financing activities</b>		<b>80,172,342,937</b>	<b>64,237,688,039</b>
50	<b>Net (decrease) increase in cash for the year</b>		<b>(28,316,949,070)</b>	<b>20,267,194,784</b>
60	<b>Cash at beginning of year</b>	4	<b>50,493,258,886</b>	<b>30,871,217,120</b>
61	Impact of foreign exchange rate fluctuation		(258,277,421)	(645,153,018)
70	<b>Cash at end of year</b>	4	<b>21,918,032,395</b>	<b>50,493,258,886</b>

Ho Chi Minh City, Vietnam

24 March 2025

  
Chu Thi Bich Hong  
Preparer

  
Nguyen Trieu Ngoc Thuan  
Chief Accountant

  
Bùi Hữu Hiền  
General Director



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
as at 31 December 2024 and for the year then ended

## 1. CORPORATE INFORMATION

Codupha Central Pharmaceutical Joint Stock Company ("the Company") is a joint stock company established in Vietnam in accordance with Enterprise Registration Certificate ("ERC") No. 0300483319 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City on 18 August 2010, and as subsequently amended.

On 11 June 2015, the Company was equitized as a joint stock company in accordance with the Decision No. 2254/QD-BYT issued by the Ministry of Health. This equitization was formalized by the DPI of Ho Chi Minh City through the issuance of the 9<sup>th</sup> amended ERC on 4 January 2016.

On 6 July 2018, the Company's shares were officially traded on Unlisted Public Company Market with code CDP.

The principal activities of the Group are the wholesale and retail of medicines, medical equipment, cosmetics and sanitary items.

The Company's registered head office is located at 262L Le Van Sy Street, Ward 14, District 3, Ho Chi Minh City, Vietnam. In addition, the Company also has six (6) branches located at other provinces/cities within Vietnam.

The number of employees of the Company and its subsidiary as at 31 December 2024 was 403 (31 December 2023: 513).

The Company's corporate structure includes one subsidiary, Codupha-Lao Pharmaceutical Company Limited ("Codupha-Lao"), which is a limited liability company incorporated under the Law on Business of Laos pursuant to the Business Certificate No. 053-04 issued by the Ministry of Planning & Investment of Laos on 31 May 2004, and as subsequently amended. The head office of Codupha-Lao is located at 253, Vieng Chaluen Street, Saysetta District, Vientiane, Laos. The principal activities of Codupha-Lao are to manufacture and trade medicines. As at 31 December 2024, the Company holds 93.7% of voting rights in this subsidiary, and as at this date, the Company is in the process of conducting a public auction to transfer shares Codupha-Lao Pharmaceutical Company Limited.

## 2. BASIS OF PREPARATION

### 2.1 Accounting standards and system

The consolidated financial statements of the Company and its subsidiary ("the Group") expressed in Vietnam dong ("VND"), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position and the consolidated results of operations and the consolidated cash flows of the Group in accordance with accounting principles and practices generally accepted in countries other than Vietnam.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**2. BASIS OF PREPARATION (continued)**

**2.2 *Applied accounting documentation system***

The Group's applied accounting documentation system is the General Journal system.

**2.3 *Fiscal year***

The Group's fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

**2.4 *Accounting currency***

The consolidated financial statements are prepared in VND which is also the Group's accounting currency.

**2.5 *Basic of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiary for the year ended 31 December 2024.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealized gains or losses resulted from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 *Cash***

Cash comprises cash on hand and cash in banks.

**3.2 *Inventories***

Inventories are measured at their historical costs. The cost of inventories comprises costs of purchase and directly attributable costs incurred in bringing the inventories to their present location and condition.

In case the net realizable value is lower than the original price, it must be calculated according to the net realizable value.

Net realisable value ("NRV") represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as cost of purchase on specific identification method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.2 *Inventories* (continued)

##### *Provision for obsolete inventories*

An inventory provision is made for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of merchandise owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement. When inventories are expired, obsolescence, damage or become useless, the difference between the provision previously made and the historical cost of inventories are included in the consolidated income statement.

#### 3.3 *Receivables*

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after the provision for doubtful receivables.

The provision for doubtful receivables represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expenses in the consolidated income statement. When bad debts are determined as unrecoverable and accountant writes off those bad debts, the differences between the provision for doubtful receivables previously made and historical cost of receivables are included in the consolidated income statement.

#### 3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

#### 3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.5 *Intangible fixed assets* (continued)

##### *Land use rights*

Land use rights are recorded as intangible fixed assets representing the value of the rights to use the lands acquired by the Company. The advance payment for land rental, of which the land lease contracts and Land use rights certificate being issued, are recorded as intangible fixed asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45").

The useful life of land use rights are assessed as either definite or indefinite. Accordingly, the land use rights with definite useful life representing the land lease are amortized over the lease term while the land use rights with indefinite useful lives is not amortized.

#### 3.6 *Depreciation and amortization*

Depreciation of tangible fixed assets and amortization of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	6 - 40 years
Machinery and equipment	5 - 12 years
Means of transportation	10 years
Office equipment	4 - 12 years
Land use rights	30 - 50 years
Computer software	10 years

#### 3.7 *Construction in progress*

Construction in progress represents the costs of acquiring new assets that have not yet been fully installed or the costs of construction that have not yet been fully completed. Construction in progress is stated at cost, which includes all necessary costs to construct, repair, renovate, expand, or re-equip the projects with technologies, such as construction costs, tools and equipment costs, project management costs, construction consulting costs, and borrowing costs that are eligible for capitalization.

#### 3.8 *Borrowing costs*

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds and are recorded as expense during the year in which they are incurred.

#### 3.9 *Leased assets*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

##### *Where the Group is the lessee*

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the lease.

##### *Where the Group is the lessor*

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the lease.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.10 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortized over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

#### 3.11 *Business combinations*

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

#### 3.12 *Investments*

##### *Investment in an associate*

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortized and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit (loss) of the associate is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing receivable from associate reduces the carrying amount of the investment.

The financial statements of the associate are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

##### *Investments in other entities*

Investments in other entities are stated at their acquisition costs.

##### *Provision for diminution in value of the investments*

Provision for diminution in value of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.13 *Payables and accruals*

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

#### 3.14 *Foreign currency transactions*

Transactions in currencies other than the Group's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred are taken to the consolidated income statement.

##### *Conversion of the financial statements of a foreign operation*

Conversion of the financial statements of a subsidiary of the Group which maintains its accounting records in other currency rather than the Group's accounting currency of VND, for consolidation purpose, is as follows:

- Assets and liabilities are converted into VND by using the buying and selling exchange rates, respectively, as announced by the commercial banks where the Group frequently conducts its transactions at the balance sheet date;
- Revenues, other income and expenses are converted into VND by using the actual transactional exchange rates; or the average exchange rates if the average exchange rates do not exceed +/- 2% the transactional exchange rates.
- All foreign exchange differences resulting from conversion of financial statements of the subsidiary for the consolidation purpose are taken to the "foreign exchange differences reserve" on the consolidated balance sheet and charged to the consolidated income statement upon the disposal of the investment.

As at 31 December 2024, the Company is in the process of conducting a public auction to transfer shares Codupha-Lao Pharmaceutical Company Limited. Consequently, foreign exchange differences resulting from conversion of financial statements of the subsidiary has been recognized by the Group in the consolidated income statement.

#### 3.15 *Contributed capital*

##### *Ordinary shares*

Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issue of shares, net of tax effects. Such costs are recognised as a deduction from share premium.

##### *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement upon purchase, sale, issue or cancellation of the Company's own equity instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.16 *Appropriation of net profits*

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

##### *Investment and development fund*

This fund is set aside for use in the Group's expansion of its operation or of in-depth investments.

##### *Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

##### *Dividends*

Dividends are recognised as a liability in the consolidated balance sheet upon approval by the shareholders at the Annual General Meeting and subsequent declaration by the Company's Board of Directors.

#### 3.17 *Earnings per share*

Basic earnings per share amount is computed by dividing net profit attributable to ordinary equity holders of the Group (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

#### 3.18 *Revenue recognition*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognized:

##### *Sale of goods*

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

##### *Rendering of services*

Revenue is recognized when the services have been performed and completed.

##### *Rental income*

Rental income arising from operating leases is accounted for in consolidated income statement on a straight-line basis over the lease term.

##### *Interest income*

Interest income is recognized as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

##### *Dividend income*

Dividend income is recognized when the Group's entitlement as an investor to receive the dividend is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.19 Taxation

##### *Current income tax*

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current income tax assets against current income tax liabilities and when the Group intends to settle its current income tax assets and liabilities on a net basis.

##### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.19 *Taxation* (continued)

##### *Deferred tax* (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority on:

- either the same taxable entity; or
- when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### 3.20 *Segment information*

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments. As the Group's revenue and profit are derived mainly from manufacturing and trading pharmaceutical products while other sources of revenue are not material as a whole. Management accordingly believes that the Group operates in a sole business segment of manufacturing and trading pharmaceutical products.

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

#### 3.21 *Related parties*

Parties are considered to be related parties of the Group if one party has the ability to, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties can be enterprises or individuals, including close members of their families.

### 4. CASH

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	350,684,388	849,519,343
Cash in banks	21,567,348,007	49,643,739,543
<b>TOTAL</b>	<b><u>21,918,032,395</u></b>	<b><u>50,493,258,886</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 5. SHORT-TERM TRADE RECEIVABLES AND SHORT-TERM ADVANCES TO SUPPLIERS

### 5.1 Short-term trade receivables

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade receivables from customers	981,808,523,031	957,037,332,290
<i>An Vuong Medicine Company Limited</i>	<i>177,271,677,134</i>	<i>28,879,989,375</i>
<i>Khun Thang Pharmaceutical Company Limited</i>	<i>102,299,153,275</i>	<i>89,747,415,885</i>
<i>Others</i>	<i>702,237,692,622</i>	<i>838,409,927,030</i>
Provision for short-term doubtful receivables ( <i>Note 7</i> )	<u>(31,616,948,811)</u>	<u>(20,744,680,332)</u>
<b>NET VALUE</b>	<b><u>950,191,574,220</u></b>	<b><u>936,292,651,958</u></b>

As disclosed in *Note 18*, the Group has pledged certain of its short-term trade receivables to secure the bank loan facilities.

### 5.2 Short-term advances to suppliers

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Tasly Pharmaceutical Group Co., Ltd	5,633,250,000	-
Prime Pharmaceuticals Ltd – India	4,425,294,690	1,818,575,291
VMED Trading and Services Company Limited	3,257,163,000	-
Brawn Laboratories Ltd	-	6,550,781,250
Piramal Pharma Ltd	-	3,243,555,176
Others	<u>4,935,451,269</u>	<u>10,190,341,611</u>
<b>TOTAL</b>	<b>18,251,158,959</b>	<b>21,803,253,328</b>
Provision for short-term doubtful advances to suppliers ( <i>Note 7</i> )	<u>(278,011,205)</u>	<u>(508,336,405)</u>
<b>NET</b>	<b><u>17,973,147,754</u></b>	<b><u>21,294,916,923</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 6. OTHER RECEIVABLES

	<i>Ending balance</i>	<i>Beginning balance</i>
		<i>VND</i>
<b>Short-term</b>	<b>48,007,819,080</b>	<b>70,943,454,859</b>
Receivables from sales support	29,164,537,400	27,797,482,028
Receivables from entrusted import	5,301,389,853	18,152,997,664
Advances to employees	3,730,080,545	1,325,660,262
Deposits	2,021,096,333	1,779,218,047
Interest for late payment	1,372,947,026	16,235,169,910
Others	6,417,767,923	5,652,926,948
<i>In which:</i>		
Receivables from other parties	48,007,819,080	70,642,051,127
Receivables from a related party (Note 29)	-	301,403,732
<b>Long-term</b>	<b>650,000,000</b>	<b>1,662,000,000</b>
Deposits	650,000,000	1,662,000,000
<b>TOTAL</b>	<b>48,657,819,080</b>	<b>72,605,454,859</b>
Provision for other short-term doubtful receivables (Note 7)	(3,857,901,376)	(3,708,555,443)
<b>NET</b>	<b>44,799,917,704</b>	<b>68,896,899,416</b>

# Codupha Central Pharmaceutical Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 7. OVERDUE DEBTS

	Ending balance			Beginning balance			Net amount
	Cost	Provision	Net amount	Cost	Provision	Net amount	
<b>Short-term trade receivables</b>	<b>41,863,155,512</b>	<b>(31,616,948,811)</b>	<b>10,246,206,701</b>	<b>43,582,330,998</b>	<b>(20,744,680,332)</b>	<b>22,837,650,666</b>	
Mi Nguyen Pharmaceutical Trading Company Limited	19,954,092,956	(14,675,102,753)	5,278,990,203	20,385,362,610	(10,438,087,684)	9,947,274,926	
Hiep Bach Nien Pharmaceutical Joint Stock Company	5,183,291,111	(2,436,511,787)	2,746,779,324	8,909,397,760	-	8,909,397,760	
Kim Chau Pharmaceutical Company Limited	4,086,849,776	(4,086,849,776)	-	4,086,849,776	(4,086,849,776)	-	
Hoang An Medical Equipment Joint Stock Company	2,908,892,308	(2,908,892,308)	-	2,908,892,308	(2,908,892,308)	-	
District 10 - Health Center	1,046,839,544	(1,046,839,544)	-	1,072,687,095	-	1,072,687,095	
Others	8,683,189,817	(6,462,752,643)	2,220,437,174	6,219,141,449	(3,310,850,564)	2,908,290,885	
<b>Other short-term receivables</b>	<b>3,914,610,839</b>	<b>(3,857,901,376)</b>	<b>56,709,463</b>	<b>3,914,610,839</b>	<b>(3,708,555,443)</b>	<b>206,055,396</b>	
An Phat Pharmaceutical Medical Equipment Joint Stock Company	2,610,867,617	(2,610,867,617)	-	2,610,867,617	(2,610,867,617)	-	
Hai Dang Koko Construction Material Import Export Company Limited	816,000,000	(816,000,000)	-	816,000,000	(816,000,000)	-	
Mi Nguyen Pharmaceutical Trading Company Limited	487,743,222	(431,033,759)	56,709,463	487,743,222	(281,687,826)	206,055,396	
<b>Short-term advances to suppliers</b>	<b>278,011,205</b>	<b>(278,011,205)</b>	<b>-</b>	<b>508,336,405</b>	<b>(508,336,405)</b>	<b>-</b>	
Hoang An Medical Equipment Joint Stock Company	278,011,205	(278,011,205)	-	508,336,405	(508,336,405)	-	
<b>TOTAL</b>	<b>46,055,777,556</b>	<b>(35,752,861,392)</b>	<b>10,302,916,164</b>	<b>48,005,278,242</b>	<b>(24,961,572,180)</b>	<b>23,043,706,062</b>	

VND



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the then year ended

**7. OVERDUE DEBTS (continued)**

Detail of movement of provision for short-term doubtful receivables, short-term doubtful advances to suppliers and other short-term doubtful receivables are as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	24,961,572,180	13,016,519,327
Add: Provision made during the year	11,595,002,339	12,983,335,475
Less: Reversal of provision during the year	<u>(803,713,127)</u>	<u>(1,038,282,622)</u>
Ending balance	<u>35,752,861,392</u>	<u>24,961,572,180</u>

**8. INVENTORIES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Merchandise goods	855,487,896,708	719,678,325,209
Goods in transit	<u>35,418,661,309</u>	<u>144,978,368,213</u>
<b>TOTAL</b>	<b>890,906,558,017</b>	<b>864,656,693,422</b>
Provision for obsolete inventories	<u>(5,522,387,750)</u>	<u>(4,396,909,917)</u>
<b>NET</b>	<b><u>885,384,170,267</u></b>	<b><u>860,259,783,505</u></b>

As disclosed in *Note 18*, the Group has pledged certain of its inventories to secure the bank loan facilities.

Detail of movement of provision for obsolete inventories is as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	4,396,909,917	8,548,617,873
Add: Provision made during the year	7,932,773,105	4,372,372,021
Less: Utilization of provision during the year	(354,993,682)	(6,468,970,816)
Less: Reversal of provision during the year	<u>(6,452,301,590)</u>	<u>(2,055,109,161)</u>
Ending balance	<u>5,522,387,750</u>	<u>4,396,909,917</u>

**9. PREPAID EXPENSES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short term</b>	<b>1,090,909,101</b>	<b>1,887,324,725</b>
Rental expenses	1,090,909,101	1,454,312,450
Others	-	433,012,275
<b>Long term</b>	<b>1,757,305,472</b>	<b>712,394,488</b>
Repair and maintenance	<u>1,757,305,472</u>	<u>712,394,488</u>
<b>TOTAL</b>	<b><u>2,848,214,573</u></b>	<b><u>2,599,719,213</u></b>

# Codupha Central Pharmaceutical Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 10. TANGIBLE FIXED ASSETS

	Buildings and structure	Machinery and equipment	Means of transportation	Office equipment	Others	Total
<b>Cost:</b>						VND
Beginning balance	101,848,728,915	52,544,556,071	40,312,400,199	3,101,379,981	338,420,833	198,145,485,999
New purchases	-	1,374,539,976	2,836,686,667	323,388,144	-	4,534,614,787
Disposal	-	-	(2,331,219,308)	-	-	(2,331,219,308)
Foreign exchange differences due to conversion to VND	(57,109,903)	(43,448,683)	(17,036,105)	-	(2,724,402)	(120,319,093)
Ending balance	101,791,619,012	53,875,647,364	40,800,831,453	3,424,768,125	335,696,431	200,228,562,385
<i>In which:</i>						
Fully depreciated	13,011,501,174	5,764,045,282	16,768,192,409	2,317,678,073	335,696,431	38,198,203,130
<b>Accumulated depreciation:</b>						
Beginning balance	38,642,099,810	35,270,129,878	27,715,447,873	2,962,514,198	338,420,833	104,928,612,592
Depreciation for the year	4,367,050,200	4,978,468,346	2,222,458,061	81,353,180	-	11,649,329,787
Disposal	-	-	(1,936,431,315)	-	-	(1,936,431,315)
Foreign exchange differences due to conversion to VND	(57,109,903)	69,726,525	(25,835,063)	(104,376,250)	(2,724,402)	(120,319,093)
Ending balance	42,952,040,107	40,318,324,749	27,975,639,556	2,939,491,128	335,696,431	114,521,191,971
<b>Net carrying amount:</b>						
Beginning balance	63,206,629,105	17,274,426,193	12,596,952,326	138,865,783	-	93,216,873,407
Ending balance	58,839,578,905	13,557,322,615	12,825,191,897	485,276,997	-	85,707,370,414

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**11. INTANGIBLE FIXED ASSETS**

	VND		
	<i>Land use rights</i>	<i>Computer software</i>	<i>Total</i>
<b>Cost:</b>			
Beginning balance	95,554,819,476	2,787,581,819	98,342,401,295
Foreign exchange differences due to conversion to VND	<u>(4,603,969)</u>	<u>(1,590,181)</u>	<u>(6,194,150)</u>
Ending balance	<u>95,550,215,507</u>	<u>2,785,991,638</u>	<u>98,336,207,145</u>
<i>In which:</i>			
Fully amortized	1,026,455,198	164,025,638	1,190,480,836
<b>Accumulated amortization:</b>			
Beginning balance	15,531,637,505	1,257,105,481	16,788,742,986
Amortization for the year	2,539,673,028	340,143,204	2,879,816,232
Disposal	-	-	-
Foreign exchange differences due to conversion to VND	<u>(4,603,969)</u>	<u>(1,590,181)</u>	<u>(6,194,150)</u>
Ending balance	<u>18,066,706,564</u>	<u>1,595,658,504</u>	<u>19,662,365,068</u>
<b>Net carrying amount:</b>			
Beginning balance	<u>80,023,181,971</u>	<u>1,530,476,338</u>	<u>81,553,658,309</u>
Ending balance	<u>77,483,508,943</u>	<u>1,190,333,134</u>	<u>78,673,842,077</u>

As disclosed in *Note 18*, the Company has pledged its land use rights located at 132A, Nguyen Van Cu, An Khanh Ward, Ninh Kieu District, Can Tho City to secure its bank loan facilities.

**12. CONSTRUCTION IN PROGRESS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Inventory and sales management software	165,000,000	99,000,001
Others	<u>150,000,000</u>	<u>171,000,000</u>
<b>TOTAL</b>	<u><b>315,000,000</b></u>	<u><b>270,000,001</b></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 13. LONG-TERM INVESTMENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Investment in an associate (Note 13.1)	4,384,074,177	5,047,433,389
Investments in other entities (Note 13.2)	<u>29,472,484,723</u>	<u>29,472,484,723</u>
<b>TOTAL</b>	<b><u>33,856,558,900</u></b>	<b><u>34,519,918,112</u></b>

#### 13.1 Investment in an associate

Details of investment in an associate is as follows:

<i>Name</i>	<i>Business ownership</i>	<u><i>Ending balance</i></u>		<u><i>Beginning balance</i></u>	
		<i>% of</i>	<i>Carrying</i>	<i>% of</i>	<i>Carrying</i>
		<i>(%)</i>	<i>amount</i>	<i>(%)</i>	<i>amount</i>
			VND		VND
Alfresa Codupha Vietnam Medical Co., Ltd.	Trading medicines	30	<u>4,384,074,177</u>	30	<u>5,047,433,389</u>

The investments amount in an associate is as follows:

	VND
	<i>Amount</i>
<b>Cost of investment:</b>	
Beginning and ending balances	<u>3,520,408,664</u>
<b>Accumulated share in post-acquisition profit of the associate:</b>	
Beginning balance	1,527,024,725
Dividends for the period	<u>(663,359,212)</u>
Ending balance	<u>863,665,513</u>
<b>Carrying amount:</b>	
Beginning balance	<u>5,047,433,389</u>
Ending balance	<u>4,384,074,177</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 13. LONG-TERM INVESTMENTS (continued)

#### 13.2 Investments in other entities

Detail of investments in other entities as at the balance sheet date is presented as follows:

Name	Business	Ending balance		Beginning balance	
		% of interest (%)	Cost of investment (VND)	% of interest (%)	Cost of investment (VND)
Kingdom Dong Duong Joint Stock Company (*)	Real estate	3.68	22,983,000,000	3.68	22,983,000,000
Indochina Urban Development Joint Stock Company (*)	Real estate	3.82	6,017,000,000	3.82	6,017,000,000
Tuyen Quang Pharmaceutical and Service Trading Joint Stock Company	Trading medicines	0.86	472,484,723	0.86	472,484,723
<b>TOTAL</b>			<b>29,472,484,723</b>		<b>29,472,484,723</b>

(\*) As disclosed in Note 18, the Group has pledged its shares in Indochina Urban Development Joint Stock Company and Kingdom Indochina Joint Stock Company to secure the loan facilities.

Fair values of these investments in an associate and other entities were not determined as at 31 December 2024 due to unavailability of market information. However, based on the current financial positions of these companies, the management believed that the fair values of these investments were higher than their book values.

### 14. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

#### 14.1 Trade payables

	VND	
	Ending balance/ Payable amount	Beginning balance/ Payable amount
<b>Short-term</b>	<b>996,223,876,429</b>	<b>1,075,393,567,677</b>
Due to other parties	994,921,054,894	1,074,208,305,965
Hisamitsu Vietnam Pharmaceutical Co., Ltd	228,034,625,325	289,484,276,110
Others	766,886,429,569	784,724,029,855
Due to related parties (Note 29)	1,302,821,535	1,185,261,712
<b>Long-term</b>	-	<b>30,000,000,000</b>
Hisamitsu Vietnam Pharmaceutical Co., Ltd	-	30,000,000,000
<b>TOTAL</b>	<b>996,223,876,429</b>	<b>1,105,393,567,677</b>

# Codupha Central Pharmaceutical Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 14. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS (continued)

### 14.2 Short-term advances from customers

	Ending balance	Beginning balance	VND
An Duoc Pharmaceutical Joint Stock Company	3,456,503,079	566,103,600	
Truong Ton Pharmaceutical Trading Company Limited	3,378,237,903	-	
A My Pharmaceutical Company Limited	2,072,402,180	15,968,616,932	
Construction Investment Project Management Board of Civil and Industrial Works of Tra Vinh Province	1,872,839,020	-	
Saigon Ophthalmology Pharmaceutical Joint Stock Company	1,090,991,078	1,726,264,499	
Soc Trang Project Management Unit 1	-	3,479,000,000	
An Giang Management Board of Investment Construction Projects and Urban Development Areas	-	2,261,533,002	
Others	2,944,441,352	3,943,382,503	
<b>TOTAL</b>	<b>14,815,414,612</b>	<b>27,944,900,536</b>	

## 15. TAX

	Beginning balance		Payable for the year	Amount deducted during the year	Payment made during the year	Ending balance		VND
	Receivables	Payables				Receivables	Payables	
Value added tax - domestic goods	-	-	(170,659,777,851)	169,912,169,236	747,608,615	-	-	
Value added tax - imported goods	-	-	(53,088,066,904)	-	53,082,680,708	-	(5,386,196)	
Export and import tax	-	(3,137,587)	(3,845,764,615)	-	3,845,764,615	-	(3,137,587)	
Corporate income tax	-	(1,301,434,244)	(8,137,437,338)	-	7,890,011,494	-	(1,548,860,088)	
Personal income tax	-	(210,710,282)	(1,234,464,036)	-	1,078,473,224	-	(366,701,094)	
Real estate tax, land rent	-	-	(20,492,039)	-	20,492,039	-	-	
Others	8,253,184	-	(50,591,122)	-	42,337,938	-	-	
<b>TOTAL</b>	<b>8,253,184</b>	<b>(1,515,282,113)</b>	<b>(237,036,593,905)</b>	<b>169,912,169,236</b>	<b>66,707,368,633</b>	<b>-</b>	<b>(1,924,084,965)</b>	



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**16. SHORT-TERM ACCRUED EXPENSES**

	<i>Ending balance</i>	<i>VND Beginning balance</i>
External service fees	1,621,250,000	-
Interest expenses	608,478,997	1,475,199,880
Labour cost	487,464,000	-
Others	879,387,338	618,855,000
<b>TOTAL</b>	<b><u>3,596,580,335</u></b>	<b><u>2,094,054,880</u></b>

**17. OTHER SHORT-TERM PAYABLES**

	<i>Ending balance</i>	<i>VND Beginning balance</i>
Trusted import received	6,578,410,880	11,590,768,871
Deposits received	479,001,586	1,037,156,772
Dividend payables	123,735,165	40,410,476
Others	1,799,096,547	9,127,072,689
<b>TOTAL</b>	<b><u>8,980,244,178</u></b>	<b><u>21,795,408,808</u></b>

# Codupha Central Pharmaceutical Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 18. LOANS

	Beginning balance/ Payable amount	Increase	Decrease	VND Ending balance/ Payable amount
<b>Short-term loans</b>	<b>762,725,780,714</b>	<b>2,612,693,397,228</b>	<b>(2,523,499,978,980)</b>	<b>851,919,198,962</b>
Loans from banks (Note 18.1)	756,326,604,712	2,612,693,397,228	(2,517,697,802,980)	851,322,198,960
Loans from individuals	1,772,000,002	-	(1,175,000,000)	597,000,002
Current portion of long-term loans (Notes 18.2)	4,627,176,000	-	(4,627,176,000)	-
<b>Long-term loans</b>	<b>29,000,000,000</b>	<b>-</b>	<b>-</b>	<b>29,000,000,000</b>
Loans from a third party (Note 18.2)	29,000,000,000	-	-	29,000,000,000
<b>TOTAL</b>	<b>791,725,780,714</b>	<b>2,612,693,397,228</b>	<b>(2,523,499,978,980)</b>	<b>880,919,198,962</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**18. LOANS** (continued)

**18.1 Short-term loans from banks**

The Company obtained these loans to finance its working capital requirements. Details are as follows:

Banks	Ending balance VND	Maturity date	Interest rate % p.a.	Description of collateral (Notes 5.1, 8 and 11)
Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch	476,158,775,078	From 28 February 2025 to 24 June 2025	From 4.9 to 5.2	Debt collection rights deriving from contracts signed between the Company and its customers valued at VND 275,000,000,000 and a part of the average rotated inventories of VND 210,000,000,000
Vietnam International Commercial Joint Stock Bank	182,969,838,424	From 27 February 2025 to 26 May 2025	5	Rotating inventory without lock protection and circulating receivables with a minimum value of VND 300,000,000,000
Maritime Commercial Joint Stock Bank - Ho Chi Minh City Branch	164,949,807,440	From 25 February 2025 to 31 May 2025	5	Unsecured
Military Commercial Joint Stock Bank – North Sai Gon Branch	18,126,777,131	From 12 June 2025 to 20 June 2025	From 5 to 6	A part of the average rotated inventories of VND 150,000,000,000; and debt collection rights deriving from contracts signed between the Company and its customers with minimum value at VND 150,000,000,000 and Land use right located at 132A, Nguyen Van Cu, An Khanh Ward, Ninh Kieu District, Can Tho City
Vietnam Joint Stock Commercial Bank for Industry and Trade – Chuong Duong Branch	9,117,000,887	From 29 May 2025 to 25 June 2025	From 4.7 to 4.9	Average rotated inventories at Lot 9 - Yen Nghia Industrial Park, Ha Dong District, Hanoi City of VND 62,000,000,000 and debt collection rights deriving from contracts signed between the Company and its customers with total value at VND 78,000,000,000
<b>TOTAL</b>	<b>851,322,198,960</b>			

# Codupha Central Pharmaceutical Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 18. LOANS (continued)

### 18.2 Long-term loan from a third party

The Group obtained this loan to finance the investment in Urban Development Joint Stock Company and Kingdom Indochina Joint Stock Company (Note 13.2). Details are as follows:

Party	Ending balance VND	Maturity date	Interest rate % p.a.	Description of collateral (Note 13.2)
Hoa Lam Investment Development Corporation	<u>29,000,000,000</u>	31 December 2026	-	The whole shares owned by the Company in Indochina Urban Development Joint Stock Company and Kingdom Indochina Joint Stock Company

In which:

Non-current portion 29,000,000,000

## 19. BONUS AND WELFARE FUNDS

	Ending balance	Beginning balance	VND
Beginning balance	-	1,373,093,026	
Appropriation from undistributed earnings	5,000,000,000	2,308,696,975	
Utilization of funds during the year	<u>(3,351,392,998)</u>	<u>(3,681,790,001)</u>	
Ending balance	<u>1,648,607,002</u>	-	

# Codupha Central Pharmaceutical Joint Stock Company

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 20. OWNERS' EQUITY

### 20.1 Movements in owners' equity

	Share capital	Other owners' capital	Treasury shares	Foreign exchange differences reserve	Investment and development fund	Undistributed earnings	Total
<b>Previous year</b>							VND
Beginning balance	182,700,000,000	213,663,933	(586,200,000)	(7,883,586,967)	9,071,115,794	20,851,404,950	204,366,397,710
Net profit for the year	-	-	-	-	-	9,305,449,866	9,305,449,866
Dividends declared	-	-	-	-	-	(7,283,520,000)	(7,283,520,000)
Appropriation to bonus and welfare fund	-	-	-	-	-	(2,308,696,975)	(2,308,696,975)
Others	-	-	-	(960,253,478)	-	-	(960,253,478)
Ending balance	182,700,000,000	213,663,933	(586,200,000)	(8,843,840,445)	9,071,115,794	20,564,637,841	203,119,377,123
<b>Current year</b>							
Beginning balance	182,700,000,000	213,663,933	(586,200,000)	(8,843,840,445)	9,071,115,794	20,564,637,841	203,119,377,123
Net profit for the year	-	-	-	-	-	19,069,737,861	19,069,737,861
Dividend declared (*)	-	-	-	-	-	(9,104,400,000)	(9,104,400,000)
Appropriation to bonus and welfare fund	-	-	-	-	-	(5,000,000,000)	(5,000,000,000)
Others	-	(213,663,933)	-	8,843,840,445	-	493,234,589	9,123,411,101
Ending balance	182,700,000,000	-	(586,200,000)	-	9,071,115,794	26,023,210,291	217,208,126,085

(\*) During the year, the Company announced to pay dividend from undistributed earnings for the year 2023 to its existing shareholders in accordance with the Shareholders' Resolution No. 01/2024/NQ-DHDCDTN dated 25 April 2024 and Board of Directors' Resolution No. 10/2024/NQ-HDQT dated 5 July 2024 amounting to VND 9,104,400,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**20. OWNERS' EQUITY** (continued)

**20.2 Capital transactions with owners**

	VND	
	Current year	Previous year
<b>Contributed share capital</b>		
Beginning and ending balances	<u>182,700,000,000</u>	<u>182,700,000,000</u>
<b>Dividends</b>		
Dividends declared to ordinary holders of the parent company	9,104,400,000	7,283,520,000
Dividends paid to ordinary holders of the parent company	9,021,075,311	12,742,265,000

**20.3 Ordinary shares**

	Shares	
	Ending balance	Beginning balance
Authorised shares	18,270,000	18,270,000
Shares issued and fully paid <i>Ordinary shares</i>	18,270,000	18,270,000
Treasury shares <i>Ordinary shares</i>	(61,200)	(61,200)
Shares in circulation <i>Ordinary shares</i>	18,208,800	18,208,800

The Company's shares are issued with par value of VND 10,000 per share. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote per share without restriction.

**20.4 Contributed share capital**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	VND	%	VND	%
Vietnam Pharmaceutical Corporation – JSC	121,225,000,000	66	121,225,000,000	66
Ben Tre Pharmaceutical Joint Stock Company	34,700,000,000	19	34,700,000,000	19
Others	26,775,000,000	15	26,775,000,000	15
<b>TOTAL</b>	<u><b>182,700,000,000</b></u>	<u><b>100</b></u>	<u><b>182,700,000,000</b></u>	<u><b>100</b></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 20. OWNERS' EQUITY (continued)

### 20.5 Earnings per share

Basic and diluted earnings per share are calculated as follows:

	VND	
	Current year	Previous year
Net profit after tax (VND)	19,069,737,861	9,305,449,866
Less: Bonus and welfare fund (VND)	<u>(5,000,000,000)</u>	<u>(2,308,696,975)</u>
Net profit attributable to ordinary equity holders of the Group (VND)	14,069,737,861	6,996,752,891
Weighted average number of ordinary shares	18,208,800	18,208,800
<b>Basic earnings per share (VND)</b>	<b><u>773</u></b>	<b><u>384</u></b>
<b>Diluted earnings per share (VND)</b>	<b><u>773</u></b>	<b><u>384</u></b>

Profit used to compute earnings per share for the year 2024 was adjusted for the allocation to bonus and welfare fund from 2024 profit following the approval by Chairman dated 31 December 2024.

Profit used to compute earnings per share for the year of 2023 was adjusted for the allocation to bonus and welfare fund from 2023 profit following the Board of Directors' Activity report for 2023 that approved by the resolution of the shareholders meeting No. 01/2024/NQ-DHDCDTN dated 25 April 2024.

There have been no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.

## 21. NON-CONTROLLING INTERESTS

	VND
	Amount
Beginning balance	493,234,589
Other decrease	<u>(493,234,589)</u>
Ending balance	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 22. REVENUE

### 22.1 Revenue from sale of goods and rendering of services

	VND	
	Current year	Previous year
<b>Gross revenue</b>	<b>3,215,977,580,908</b>	<b>3,089,290,341,810</b>
<i>Of which:</i>		
<i>Revenue from sale of merchandise goods</i>	3,175,304,428,785	3,057,321,100,251
<i>Revenue from rendering of service</i>	40,673,152,123	31,969,241,559
<b>Less</b>	<b>(7,297,762,661)</b>	<b>(25,260,290,268)</b>
Sale returns	(5,446,131,851)	(21,439,313,155)
Trade discounts	(1,039,546,397)	(2,637,024,811)
Sale allowances	(812,084,413)	(1,183,952,302)
<b>NET</b>	<b><u>3,208,679,818,247</u></b>	<b><u>3,064,030,051,542</u></b>
<i>In which:</i>		
<i>Revenue from sale of merchandises</i>	3,168,006,666,124	3,032,060,809,983
<i>Revenue from rendering of services</i>	40,673,152,123	31,969,241,559

### 22.2 Finance income

	VND	
	Current year	Previous year
Early payment discounts	13,786,794,501	11,431,208,624
Realized foreign exchange gain during the year	9,879,399,083	8,844,013,366
Interest from customers' late payments	3,397,235,049	17,113,382,604
Deposit interest income	29,805,324	48,152,210
<b>TOTAL</b>	<b><u>27,093,233,957</u></b>	<b><u>37,436,756,804</u></b>

## 23. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of merchandises sold	2,969,418,824,523	2,851,521,904,629
Cost of services rendered	1,876,057,216	227,075,730
Provision for obsolete inventories	1,480,471,515	2,317,262,860
<b>TOTAL</b>	<b><u>2,972,775,353,254</u></b>	<b><u>2,854,066,243,219</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

#### 24. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>	<b>126,149,961,420</b>	<b>115,938,626,850</b>
Labor costs	70,064,271,881	67,566,170,915
External services expenses	18,450,137,191	15,962,986,121
Depreciation	12,687,712,994	12,616,526,298
Materials	2,054,471,333	2,402,923,878
Others	22,893,368,021	17,390,019,638
<b>General and administrative expenses</b>	<b>49,865,890,101</b>	<b>54,698,237,214</b>
External services expenses	15,703,340,340	19,660,540,499
Provision for short-term doubtful receivables	10,791,289,212	11,945,052,853
Labor costs	3,500,765,000	3,648,978,355
Depreciation	1,725,427,309	1,679,106,568
Administrative tools costs	1,534,417,011	441,185,500
Taxes, charges and fees	64,593,009	133,417,301
Others	16,546,058,220	17,189,956,138
<b>TOTAL</b>	<b><u>176,015,851,521</u></b>	<b><u>170,636,864,064</u></b>

#### 25. FINANCE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Interest expenses	39,107,005,426	53,181,803,414
Realized foreign exchange loss during the year (*)	16,556,372,363	5,906,209,153
Unrealized foreign exchange loss due to year-end revaluation	2,966,519,100	1,788,542,492
<b>TOTAL</b>	<b><u>58,629,896,889</u></b>	<b><u>60,876,555,059</u></b>

(\*) Realized foreign exchange loss during the year includes VND 9,470,790,500, which is the cumulative foreign exchange loss arising from the conversion of the financial statements of Codupha-Lao Pharmaceutical Company Limited ("Codupha-Lao") and has been recognized as a financial expense as at the year end because Codupha-Lao ceased its business operations and the Company is in the process of transferring its shares in Codupha-Lao.

#### 26. OTHER INCOME AND EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Other income</b>	<b>840,740,363</b>	<b>508,561,286</b>
Gains from disposal of fixed assets	375,441,681	199,074,075
Others	465,298,682	309,487,211
<b>Other expenses</b>	<b>1,322,156,492</b>	<b>2,551,607,132</b>
Penalties	339,644,364	387,912,856
Others	982,512,128	2,163,694,276
<b>NET OTHER LOSS</b>	<b><u>(481,416,129)</u></b>	<b><u>(2,043,045,846)</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 27. OPERATING COSTS BY ELEMENTS

	VND	
	<i>Current year</i>	<i>Previous year</i>
Cost of merchandises	2,969,418,824,523	2,851,521,904,629
Labor costs	73,565,036,881	71,215,149,270
External services	36,029,534,747	35,850,602,350
Depreciation and amortization	14,413,140,303	14,641,244,555
Provisions	12,271,760,727	14,262,315,713
Other expenses	43,092,907,594	37,211,890,766
<b>TOTAL</b>	<b><u>3,148,791,204,775</u></b>	<b><u>3,024,703,107,283</u></b>

## 28. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Company is 20% of taxable income.

The Group's subsidiary has the obligations to pay CIT at the rates of 5% of taxable income.

The Group's tax returns are subject to examination by the tax authorities. As the application of tax laws and regulations are susceptible to varying interpretations, amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

### 28.1 CIT expenses

	VND	
	<i>Current year</i>	<i>Previous year</i>
Current tax expense	6,828,768,156	4,703,182,370
Adjustment for under accrual of tax from prior years	1,308,669,182	-
<b>TOTAL</b>	<b><u>8,137,437,338</u></b>	<b><u>4,703,182,370</u></b>

The reconciliation between CIT expense and the accounting profit before tax multiplied by CIT rate is presented below:

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Accounting profit before tax</b>	<b><u>27,207,175,199</u></b>	<b><u>13,892,362,264</u></b>
<i>Adjustments to increase:</i>		
Non-deductible expenses	5,881,273,912	7,777,994,478
Remuneration for non-executive members of the Board of Directors and Board of Supervisors	1,282,755,559	1,924,289,155
Others	436,000,000	144,000,000
Others	4,162,518,353	5,709,705,323
<i>Adjustments to decrease:</i>		
Reversal of provision for obsolete inventories	(4,434,379,581)	-
Others	(1,643,404,974)	-
Others	(2,790,974,607)	-
<b>Estimated profit before tax for the year</b>	<b><u>28,654,069,530</u></b>	<b><u>21,670,356,742</u></b>
<i>In which:</i>		
Taxable income at 20%	34,143,840,777	23,515,911,847
Tax-deductible losses	(5,489,771,247)	(1,845,555,105)
<b>Current corporate income tax</b>	<b><u>6,828,768,156</u></b>	<b><u>4,703,182,370</u></b>
Adjustments to corporate income tax of previous years	166,335,920	-
Adjustments according to the 2023 State Audit Report	1,142,333,262	-
<b>CIT expenses</b>	<b><u>8,137,437,338</u></b>	<b><u>4,703,182,370</u></b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**28. CORPORATE INCOME TAX (continued)**

**28.2 Current CIT expense**

The current CIT payable is based on taxable profit for the year. The taxable profit of the Group for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's current tax liability is calculated using tax rates that have been enacted at the balance sheet date.

**29. TRANSACTIONS WITH RELATED PARTIES**

List of related parties that have a controlling relationship with the Group and other related parties that have transactions with the Group during the year and as at 31 December 2024 is as follows:

<i>Related parties</i>	<i>Relationship</i>
Vietnam Pharmaceutical Corporation - Joint Stock Company	Parent company
Ben Tre Pharmaceutical Joint Stock Company	Major shareholder
Alfresa Codupha Medical Co., Ltd.	Associate
3 Central Pharmaceutical Joint Stock Company	Affiliate/ Other related party with the same member of the Board of Directors
Mekophar Chemical Pharmaceutical Joint Stock Company	Other related party with the same member of the Board of Directors
Sanofi-Aventis Vietnam Joint Stock Company	Other related party with the same member of the Board of Directors

Significant transactions with related parties in current and prior years were as follows:

<i>Related party</i>	<i>Transactions</i>	<i>VND</i>	
		<i>Current year</i>	<i>Previous year</i>
Vietnam Pharmaceutical Corporation – Joint Stock Company	Dividend declared	6,061,250,000	4,849,000,000
	Dividend paid	6,061,250,000	8,485,750,000
	Reversal warehouse rental	-	50,000,000
Ben Tre Pharmaceutical Joint Stock Company	Dividend declared	1,735,000,000	1,388,000,000
	Dividend paid	1,735,000,000	2,656,085,000
	Purchase of goods	207,966,171	376,769,637
3 Central Pharmaceutical Joint Stock Company	Purchase of goods	305,174,992	389,683,517

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**29. TRANSACTIONS WITH RELATED PARTIES (continued)**

Amounts due to and due from related parties at the balance sheet date were as follows:

Related party	Transactions	VND	
		Ending balance	Beginning balance
<b>Other short-term receivables</b>			
Vietnam Pharmaceutical Corporation - Joint Stock Company	Warehouse rental	-	301,403,732
<b>Short-term trade payables</b>			
Alfresa Codupha Medical Co., Ltd.	Purchase of goods	986,099,722	986,099,722
3 Central Pharmaceutical Joint Stock Company	Purchase of goods	310,250,799	135,772,560
Ben Tre Pharmaceutical Joint Stock Company	Purchase of goods	6,471,014	63,389,430
		<b>1,302,821,535</b>	<b>1,185,261,712</b>

Remuneration to members of the Board of Directors, Management and Board of Supervision during the year was as follows:

	Position	VND	
		Current year	Previous year
Mr Le Van Son	Chairman	1,104,000,000	957,930,000
Mr Bui Huu Hien	Member of the Board of Directors/ General Director	997,000,000	837,930,000
Ms Dinh Thi Khoi	Deputy General Director to 3 March 2025	759,000,000	717,930,000
Mr Pham Thu Trieu	Member of the Board of Directors	100,000,000	60,000,000
Ms Ha Lan Anh	Member of the Board of Directors	100,000,000	40,000,000
Ms. Lu Thi Khanh Tran	Member of the Board of Directors	100,000,000	10,000,000
Ms. Nguyen Thi Hang	Head of the Board of Supervisors	100,000,000	10,000,000
Mr Truong Chi Thien	Member of the Board of Supervisors	36,000,000	24,000,000
Ms Nguyen Thanh Thanh Binh	Member of the Board of Supervisors	28,000,000	-
Mr Nguyen Van Khai	Member of the Board of Supervisors	8,000,000	24,000,000
Ms Chu Thi Bich Hong	Head of the Board of Supervisors to 4 October 2023	-	404,909,318
<b>TOTAL</b>		<b>3,332,000,000</b>	<b>3,086,699,318</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 30. COMMITMENTS

#### *As a lessee*

The Group leases its warehouse and office under operating lease arrangements. The minimum lease commitments at the balance sheet date under the operating lease agreements were as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	7,420,800,000	8,461,800,000
From 1 year to 5 years	<u>14,331,000,000</u>	<u>19,096,800,000</u>
<b>TOTAL</b>	<b><u>21,751,800,000</u></b>	<b><u>27,558,600,000</u></b>

### 31. OFF BALANCE SHEET ITEMS

	<i>Ending balance</i>	<i>Beginning balance</i>
Entrusted import goods held for third parties (VND)	57,370,036,754	9,347,191,679
Foreign currencies:		
Kip Lao (LAK)	990,664	150,798,392
Bath Thai (THB)	62,602	61,158
United States dollar (USD)	2,501	332,932
Euro (EUR)	1,041	1,187

### 32. SEGMENT INFORMATION

#### *Geographical Segment Report*

The Group's revenue mainly comes from domestic sales of goods, while revenue from foreign sales accounts for a very small proportion of the total revenue in the Group's consolidated income statement. Therefore, the Group does not present a geographical segment report.

#### *Business Segment Report*

The main business activities of the Group are the wholesale and retail of medicines, medical equipment, cosmetics and sanitary items, while other revenue accounts for a small proportion of the Group's total revenue. Therefore, the Group does not present a business segment report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**33. EVENTS AFTER THE BALANCE SHEET DATE**

On 6 February 2025, the Group's General Director signed a contract to transfer its capital contribution in Codupha-Lao Pharmaceutical Company Limited through a public auction and is in the process of handling administrative procedures to transfer to the transferee.

Except for the above event, there is no other significant matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Group.

Ho Chi Minh City, Vietnam

24 March 2025

  
Chu Thi Bich Hong  
Preparer

  
Nguyen Trieu Ngoc Thuan  
Chief Accountant

  
  
Bui Huu Hien  
General Director

